



**North Dakota Public Employees Retirement System
E-Mail Memorandum
2003-8**

**TO: PAYROLL PERSONNEL – Participating Employers in the
FlexComp Plan on the State of North Dakota PeopleSoft
Payroll System**

**FROM: Kathy Allen NDPERS Benefit Programs Manager, Sharon
Schiermeister, NDPERS Accounting & IT Manager, Sharon
Ellsworth, NDPERS FlexComp Program Coordinator**

DATE: September 24, 2003

SUBJECT: FLEXCOMP 2004 PLAN YEAR

The FlexComp Plan annual enrollment begins October 1 and ends November 17, 2003, for participation in the 2004 Plan Year. Effective with the 2004 Plan Year, PeopleSoft Flexible Spending Account Administration will replace the software currently being used to administer the FlexComp Plan. This will result in several administrative changes that will affect you and the participants. The following outlines these changes:

EMPLOYEE RECORDS

In the past, all FlexComp records for the new plan year were set up by NDPERS. Since the new PeopleSoft system is integrated with the payroll system, agency payroll staff will now have the responsibility for setting up the FlexComp record for employees who elect to participate in the plan. Payroll will sign Part G of the enrollment form certifying that the employee meets the eligibility requirements and has been set up on the system for the benefits applied for on the form. For your information, a sample of the form is attached as a separate document titled SFN 17759 Annual FlexComp Enrollment 2004 Plan Year.

PeopleSoft has an effective date feature, so payroll can enroll their employees for medical spending, dependent care, and pre-tax premiums as agreements are received. As in the past, NDPERS will be responsible for the records retention for the program. Payroll should retain a photocopy of the form for their records and send the original to NDPERS.

Entering Benefit Elections and General Deduction Data with instructions on how to set up employee records in PeopleSoft are attached as separate documents titled FSA Benefits and General Deductions.

IDENTIFICATION NUMBER

Because the new software system integrates with payroll, employees will no longer use their social security number as their identification number. The employee identification number issued to employees by the Office of Management & Budget will be used on all FlexComp forms.

DIRECT DEPOSIT OPTION

Direct Deposit of FlexComp reimbursement checks will now be available to employees. If they are currently having their payroll check direct deposited, their FlexComp reimbursement must be deposited into the same account. If selected, direct deposit will apply to all reimbursement accounts specified on the application.

CONFIRMATION OF ELECTION OPTIONS

A confirmation letter will be mailed to all participants the second week in December. This letter will detail how the employee's record was set up based on the information they provided on the form. Employees will be instructed to review the information and contact their payroll office immediately if they notice any discrepancy. However, this is not an opportunity for employees to make last minute changes to their elections.

PERS has recognized in the past that employees may need to make changes to their election after the annual enrollment season ends. Under federal law, changes can be made up to the day before the start of the new plan year. Therefore, PERS has allowed changes if the respective payroll department could accommodate the change and enter the payroll deduction data prior to the deadline for the December paid January payroll due date. PERS understands that the ability of each payroll entity to accommodate these changes will vary and, therefore, this year we will leave the decision to allow employees to make changes to their elections after the annual enrollment season ends up to the discretion of each agency's payroll department. If you elect to allow these changes, you must follow the procedures outlined under the "Employee Records" section of this memo. Also, see the attachment FlexComp Calendar outlining key deadline dates.

**OVER-THE-COUNTER DRUGS ARE NOW REIMBURSABLE ITEMS FROM
AN EMPLOYEE'S MEDICAL SPENDING ACCOUNT**

Please route the attachment NDPERS Medical Spending Reimbursement Guide for Over-The-Counter Drugs to your employees as soon as possible. If you are not the individual responsible for routing this information, please forward this to the appropriate personnel.

If you have any questions, please contact Sharon Ellsworth, FlexComp Program Coordinator at 701-328-3910 or 1-800-803-7377.